



January 20, 2006

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Room TW-A325  
Washington, D.C. 20554

Re: **EX PARTE**

WT Docket No. 05-211 – Implementation of the Commercial Spectrum Enhancement Act and Modernization of the Commission's Competitive Bidding Rules and Procedures

ET Docket No. 00-258 Amendment of Part 2 of The Commission's Rules to Allocate Spectrum Below 3 GHz for Mobile and Fixed Services to Support the Introduction of New Advanced Wireless Services, Including Third Generation Wireless Systems

Dear Ms. Dortch:

On January 19, 2006, Tom Sugrue and the undersigned, representing T-Mobile USA, Inc. (“T-Mobile”), met with Commissioner Jonathan Adelstein and Barry Ohlson, Senior Legal Advisor to Commissioner Adelstein, to discuss the schedule of the upcoming advanced wireless services (“AWS”) auction.

Specifically, the T-Mobile representatives encouraged the Commission to expedite scheduling of the AWS auction, emphasizing the importance of the AWS auction to the wireless market and U.S. consumers. The T-Mobile representatives also emphasized that pending rule making proceedings related to relocation of incumbent licensees and to revisions of the designated entity rules should not be allowed to delay commencement of the AWS auction.

Pursuant to Section 1.1206(b) of the Commission’s rules, an electronic copy of this letter is being filed with the office of the Secretary. If you have any questions regarding this letter, please contact the undersigned.

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401 9th Street NW, Suite 550  
Washington, DC 20004



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May 20, 2005  
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Sincerely,

/s/Kathleen O'Brien Ham

Kathleen O'Brien Ham  
Managing Director,  
Federal Regulatory Affairs

Attachment

cc: Barry Ohlson

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**T-Mobile USA Ex Parte**  
**ET Dkt No. 00-258**  
**WT Dkt No. 05-211**  
***January 19, 2006***

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- **The AWS Auction Should stay on track for a June start date**
  - T-Mobile USA and other carriers, especially Tier II and Tier III carriers, need access to additional spectrum in order to compete effectively
  - With recent mergers and acquisitions, much of the currently available spectrum has been consolidated by a few large carriers
  - The AWS Auction represents the most desirable, readily usable spectrum for wireless broadband services (the first time since 1997, an auction that will include a full nationwide footprint of CMRS licenses)



- **The Congress, the President, and the Commission have all been working hard to ensure a June 2006 auction**
  - 12/23/04: Congress passes and the President signs the necessary relocation funding legislation in, providing for auction of AWS spectrum on 18-months notice from FCC notice
  - 12/29/04: The FCC provides requisite notice to NTIA of intent to auction the AWS band in June 2006.
  - 8/5/04: The FCC finalizes a new pro-competitive band plan
  - 12/27/05: NTIA delivers its relocation report (with estimated costs and schedules) on time; the auction can take place six months later
  - The ball now is back in the FCC's court to move expeditiously to conduct the auction

- **FCC Rulemakings on Track for June 2006 Auction**
  - FCC completed revised service rules, with no reconsideration petitions filed
  - FCC implementation of CSEA ripe
    - *NTIA has provided its estimate of relocation costs (approx. \$930 million)*
    - *The total cash proceeds from the AWS auction should be used to generate the 110% of revenues necessary to cover the approximately \$936 million in relocation costs for federal government systems, on an aggregate (not license by license) basis*
    - *Withdrawal and post-auction default penalties should be raised from 3 percent to 20 percent of the withdrawn bid*
    - *In general, the FCC's proposals in the CSEA notice were non-controversial*



- **FCC Rulemakings on Track for June 2006 Auction**
  - **FCC proceeding on cost-sharing and BRS/EBS relocation underway with sufficient leeway**
    - *BRS incumbents should be provided with comparable facilities and relocated in a minimally disruptive manner*
    - *BRS relocation rules should be modeled on the proven relocation policies adopted for the 1.9 GHz PCS spectrum*
    - *Cost-sharing should be approved for relocation costs and administered through a clearinghouse*

- **DE reform proposals should not delay the AWS auction**
  - The Commission's most important public interest objective should be getting more spectrum into the market expeditiously to fuel aggressive competition among national and regional providers
  - Indeed, other CMRS spectrum auctions (such as the Air-to-Ground auction) are proceeding without awaiting the resolution of DE reform proposals
  - The DE proceeding is likely to be controversial. Defining how DE's should be allowed to raise capital has proven complex in the past. DE community itself will likely be split on the proposals on the table. Hence, a rapid resolution is unlikely



- **In sum, the Commission needs to keep to its commitment to begin the AWS auction in June 2006**
  - The FCC should complete the bi-partisan initiative that has been supported by multiple Congresses and both the Clinton/Gore and Bush/Cheney administrations to make this spectrum available for advanced wireless services as soon as possible
  - Congress and NTIA have now done their parts
  - Federal Government users, such as the Department of Defense, require the auction to occur to complete their relocation transitions and planning which have been ongoing for nearly five years
  - Wireless carriers—especially those below the “big 3”—need more spectrum now to continue to compete aggressively against largest carriers and rollout advanced services
  - Competition and consumers will be the big winners if there is a timely commencement of the AWS auction